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PROOF REQUEST MADE: 05-03-90 at 14:53:06

STORY NAME: #10283

KEYWORD: KERR

TOPIC:

BASKET: A-TEAM

DESK: NA

CHARS: 55,663

AUTHOR: A-TEAM

PRE USER: A-TEAM

WORDS: 9277

NOTE:

BREAKFAST WITH
RICHARD KERR, Deputy Director, CIA
and GARY FOSTER, Deputy Director,
Planning and Coordination
Thursday, May 3, 1990

JACK NELSON: Dick Kerr says he's going to start off with may be a little overview of what the situation is in Eastern Europe, the Soviet Union.

MR. KERR: Let me first of all start out by saying that I do this with great trepidation. I've spent 30 years in the agency either writing some comments as to why what was in the press was not a fair representation of what occurred for one group of customers, or on the other hand writing an explanation of why what was in the press was accurate, that my own masters didn't have it first or it was put out in a place where it fundamentally was an impediment to what they thought was their action rather than a help. So I have kind of mixed feelings about the process as an intelligence officer whose business is, at least who has been trying to protect sources and information, and protect information and provide it to a specialized group of customers.

At the same time, my boss has a slightly different view of this and is much more comfortable outside and dealing with the press, and he's determined to make me more comfortable with it. (Laughter)

Q: Let me ask you a question then. Do you think there's quite a bit of mutual benefit, though, since you get quite a bit of your information through the press?

A: There's no doubt that we get a great deal of our information, in fact if anything we get more of our information, as an analytic organization we get more of our information from open sources, broadly speaking, than we do from classified, from secrets, and that's the way it should be and that's the way information is.

Q: Are you coming around to that way of thinking?

A: I don't know. I'm not convinced yet.

Q: We're going to try and help convince you. (Laughter)

A: I'm convinced that we should take information from the open

sources and use it. I don't have to be convinced at all about that.

Q: Wouldn't it help you evaluate it better if you knew who some of the people were providing the information?

A: Certainly. I think the press, from my perspective, the things that we get out, probably are two kinds. Open source, not just the press. First of all, we get detailed information that you don't want to collect by secret means. Trying to use spies to collect information is not a very efficient way of getting information. It's very expensive and cumbersome, difficult, requires a lot of support and a lot of infrastructure, so it's not the way you want to do it if you can get it openly.

But I think there's value in it. I guess the things I find most difficult are really the two sides that I mentioned. We spend a surprising amount of our time with the Hill or with others responding to information that's in the press that is, from our perspective at least, not accurate and causes us great problems. On the other hand, with an executive where you're trying to support a policy maker and give them creative ideas and try to present controversial issues in secret before the decisions have been made on them, to have those exposed essentially then not only hurts the intelligence organization that's trying to do creative things, looking at alternative scenarios and looking at outcomes that are not desirable, but you in effect get an executive in an extremely difficult position, and very cranky with you, to say the least. But that's kind of life. That's somewhat our problem, from my perspective. My view of secrets in the press is that's an administration problem, not a press problem.

Q: That may be embarrassing, but is it really jeopardizing anything?

MR. FOSTER: Embarrassing is not the issue.

MR. KERR: Embarrassing is not the problem. What it does, at times, is preempt people. It sometimes precludes options being considered fully. It can, at times, be very destructive. It can also be constructive. It kind of depends on the situation.

Q: How do you feel about Congress' role?

A: We get caught in the same process exactly, with Congress.

Q: With a higher level of...

A: No, I was thinking in terms of Congress is a major customer for the intelligence community. I don't know how many briefings we have, but we do a great deal of things for Congress--1,000 briefings, I think a year; nearly 1,000 papers provided to them. Our oversight committees essentially have access to all the things, with few exceptions, that our executive have.

Q: What percentage of that shows up in the press?

A: Very little of it. I think it's fair to say that in terms of our oversight committees they are extremely good. They have not been leakers. The only time I think you get into an issue where information gets out from oversight committees is when we're in a very major foreign policy issue--should you aid Cambodia or not and in what form. A controversial, emotional issue where the Congress uses, to some degree, the intelligence process, to get at the policy issues. That is not infrequent, and it's on all those issues that you know, you could list them on your hands what they are. They are those issues where Congress does not agree with policy. The Contras, Nicaragua, were a very good example. Afghanistan to some degree. Major issues of U.S. policy. Lithuania, although I've seen less of it in this particular situation.

Q: You could see in those debates where the American public is probably entitled to know some of that information.

A: I wouldn't argue the issue of who's entitled to know it in terms of debate the issue. What I'm talking about is essentially the protection of the executive's ability in some way to have an opportunity to debate its own options with some privacy, and also to protect the specific intelligence. But again, I look on that point, quite honestly, as our problem more than your problem, but it becomes, it's hard to contain it.

But I think there is value in talking, I've been convinced by my boss, that there is value in talking about how we do our business and what our business is and what's important to us and the process. I think that's something that's important for people to understand, to de-mystify it a bit. So I have no difficulty at all with doing that. I am more concerned, and I know some of the questions, for instance, that you raised, that were suggested, I am more concerned when intelligence begins talking about an upcoming summit, particularly the issues that are going to be discussed there. From my perspective, that's my personal concern about that. The one thing I find I do not want to do is begin giving some structure to that debate before the policy-makers have had a chance to organize themselves in it.

If you want to find a person who's sensitive about intelligence preempting his own role, it's Jim Baker. He feels in that area when intelligence gets out in front of him on a policy issue, you do have a problem with it, and quite honestly, I tend to agree with him on that.

But I think there are an important set of things that are useful, from my perspective. They may not be the same things you'd like to know from me. I guess that's not surprising.

I think one of the things, just in a general comment, and you may well know this, but we spend, I was mentioning earlier, we spend an enormous amount of our time looking at where we're going and what we're doing and why we're doing it and what's going to change. I spend a good deal of my time doing that, because I have a larger role in the intelligence community so I'm involved in budget issues and programs

of the future, resources and where you're going to put people, where you're going to put your emphasis. So I spend a lot of, and Gary for CIA does a great deal of that for CIA particularly.

Much of our concern, because our mechanism works very well day in and day out to deal with the current problems, much of our concern really does focus on questions of how do you best use the... What's the question? What's the appropriate intelligence question we should be looking at over a longer period of time, and how do you marshal the resources and get them in the right place? Like any organization, we have limits as to how much we can actually move things around. We have only so many fungible resources.

But if I would leave any point, I think on that particular issue I would say we spend a great deal of our time day in and day out kind of adjusting our resources. A good example to me is Eastern Europe. No one would claim in the intelligence community that we had any particular brilliance in predicting what was going to happen over the past year and a half in terms of the specifics and the pace that it happened, or the precise outcome.

What I would argue is that because we spent a fair amount of time over the past 15 or 20 years building a base of information about Eastern Europe and about the Soviets, I think we had established, I think rather well, the fundamental flows in the system. The fact that a party was a dead party, that it had no life, that economies were in horrible shape, that it was a brittle group that would not take much to move toward a fundamentally different direction, particularly if the Soviets changed their attitude. And going back even into the mid '80s and certainly into some very specific papers that we did in '86 and '87, I think we had a very good grasp of the fundamentals about what the Soviets were doing and the impact of Gorbachev's action on Eastern Europe, the increasing unwillingness expressed, that have seemed apparent, about willingness to use force; and to experiment, to some degree; and to allow the Hungarians and others to move in a direction that previously would not have been acceptable.

So while I don't think we predicted with precision, what we did, I think, is lay the groundwork for that. That's, in my judgment, what we do best. We're one of the few organizations--intelligence generally and the CIA in particular--that has continuity on a largers set of issues with sensible expertise over a good period of time and does research.

Q: How are you reordering your priorities and reordering resources now with all the changes?

MR. FOSTER: Can I just take a little piece of that? The piece will be a little less current than you just asked, although we have a lot to say about that, I think. But the point that Dick just made I think is very important. It's kind of an old saw that we aren't up with the times, and frankly, I think we're all a little tired of that, and the Cold War budget notion that you've heard.

In 1981 we changed the whole structure of our analytic organization. We originally had had a group that was mainly economic, political and military, and then they worked on country or regional problems internally to those structures. In 1981 we changed that and made it a regionally focused organization with economic, political and military components for the regional structures. When we did that it was a conscious decision made after three days or so of fairly serious discussion by the head of that directorate with his deputy and I, actually, to move Eastern Europe out of the connection we had had over the many years with the Soviet Union and into the same office as Western Europe because we said in 1981 that would be the way it would turn out and we should be well ahead of the problem.

It is because of that that we could do some of the contextual things that have turned out to be important in a number of ways. The East European analyst freed to think about things differently, began to do that, as the East Europeans themselves had been a bit under the Soviet orbit in the intelligence arena and had not been quite so free to think about their countries as something other than part of the Soviet Union. So that began to take place, as did their connection to the Western European analysts and the thought about the sort of intra-regional connections that might take place. So as they began to emerge I think we began to understand how things might turn out, though not necessarily, as Dick said, on the day or at the rate or the specifics of which leader or which faction. I think it's a really good example of a place where we were ahead.

There are other cases exactly like that. That the U.S. government I think has a policy community well informed on technology transfer issues is due in large part to some work done at CIA and through some DCI committees to force the understanding of technology transfer, intelligence, onto a policy community that really wasn't organized to accept it in any kind of systematic way. By consolidating the information and making it available, a community could form up, a community of users of the information could form up and make much larger decisions, create councils among themselves to consider what was available. There are a lot of other ways in which that takes place.

MR. KERR: I might add on Gary's point on the tech transfer, we're not always ahead, obviously. We have some gaps. We sometimes don't recognize a problem until it's upon us and sometimes too late. We have all the limitations that any other organization or any other group of people working on foreign policy have. But tech transfer is, again, a good example where while I think we started that process off rather systematically from an intelligence perspective, we've also been very aggressive in saying it better change. If COCOM is going to survive, one has to look at... We also look at how the Europeans look at it. So we're saying policy makers, it's very important to think of COCOM in a new context. If you do not move, our argument essentially has been if you do not move toward a core group of technologies with a rationale that's defensible in the new environment we are going to have, it's not going to survive. You'll end up with everybody ignoring it. So it's going to be one of those laws that's going to be like prohibition--it's going to be a law that's honored in

the breach, not in the... Not that we have caused that to happen alone, because we're not the only people who have thought of that idea. It's not a unique idea. Nevertheless, we've been pushing that and have some influence and will continue to have influence on what the core technologies will be and the rationales for them. I think there's a way intelligence directly influences the policy, not merely responding to it.

Q: The proposal the President announced yesterday with COCOM, has a provision for liberalized restrictions concerning access by Eastern European countries, three specifically, that is based on sort of your sharing enforcement. Yet as I understand it, even though the governments of Poland, Hungary, and Czechoslovakia are no longer communist, the hemorrhaging of technology to the Soviet Union from those countries has gone on without much abatement. I wondered whether, if that's true, how confident you are that the self enforcement mechanism or their participation in enforcement would be effective.

A: I'm not sure it's accurate to say it's gone on without abate. I don't think that would be a fair way to describe it. But it has not stopped--that is fair. I think with precision, I think we are uncertain, and I think, quite honestly, the governments involved are uncertain. That's what I would argue would be, that's going to take some time. We have governments that are not in charge of their own security services; we have governments that don't know what their own Ministries are doing; governments that are brand new, people that have never had experience in their own Ministries or understand how they work. At the same time, there are people in those Ministries who understand that they're not going to get U.S. real agreement to provide high tech things unless they set up some kind of self-policing mechanism and some mechanism that we're involved in, that the community is involved in, the international community. There's going to have to be, I would guess, some on-site inspection, some verification that equipment in fact when you say it goes from X plant to X plant goes.

Our experience in tech transfer has been over the years that if things are acquired legally, they are not sent on. In other words, if they're acquired legally...

Q: ...access rates.

A: If Poland or Czechoslovakia or East Germany acquired something through a legal, normal process of licensing, the evidence we had suggested that when they said it went to X plant it went there and stayed there. It was not then packaged up and went across the border to the Soviet Union. That does not mean there wasn't an enormous amount of illegal movement at the same time, or clandestine, kind of two different levels of that.

I think that's already changing and they understand the limitations of that. But there are still strong connections between services between East European countries and the Soviet Union. We didn't break this history of 40 or 50 years just overnight.

Q: Can we go back to what you were saying about how well you did in anticipating? It sounds a little bit visionist, if you don't mind my saying so. There is certainly a qualitative difference between what you predicted and what happened in East Europe and the Soviet Union. It happened much faster, it happened more thoroughly and so forth. Rather than revisit that, I was wondering what model you now use to replace the so-called totalitarian model of Aarons and Jean Kirkpatrick to predict what might happen in totalitarian countries. It used to be that reform couldn't come from inside, it had to be violent. Now we see reform came from within the Soviet Union. What do you substitute for that?

A: I don't think we ever necessarily subscribed to this kind of dogmatism that, at least I don't believe we did...

Q: Go back to Horlich and people like that. They certainly did.

A: Horlich was an individual who didn't necessary represent the institution--even when he was there he didn't necessarily represent the institution! (Laughter)

Q: What was your model then as to what was happening? If that's the case, why didn't you predict a Gorbachev coming out of the Soviet party? Why didn't you think reform could come from the inside? The only one I know who predicted that was Steve Cohen up at Princeton.

A: I'm not sure prediction in that sense, I'm trying to answer your question in a sensible way. I don't think we by any means predicted a Gorbachev coming out, initiating reform as it precisely happened. What I would say though, is what we described is a situation where the circumstances meant that unless there was change, systemic change within the Soviet Union, the Soviets were going to get increasingly less effective in the economy. It was going to go downhill, and that was going to reach a point where consumers and discontent was expressed at a popular level. That had to be stopped because there was no alternative to that. There was no way within the system to correct that. That meant there had to be reform. To have reform I think people involved in this for years have said you cannot have economic reform without political reform--the two can't go unconnected.

So when you say what model were we using, I guess I would say we weren't using any particular model. What we were looking at, the conditions that were going to require some change.

Q: Why does Gorbachev seem to be so bold as a political reformer, and yet seems to be so cautious and pulls back from the brink each time as an economic reformer?

A: You'd be better off if you had Bob Blackwell here talking to you about that. My own instincts are, first of all, his objectives are economic fundamentally. That was the principle driver of this. The idea of ending up with a Soviet Union that continued relative to the West poorer in absolute terms, going downhill, was not an

acceptable outcome. The only way to do that, the only way to attack that problem, or one way to attack it, was to fundamentally attack the political structure that supported it. That you could not get the creativity and could not get the change required without political change first that would allow you to implement the economic changes. In some ways it's looked at as kind of the reverse of how China approached its particular problem, I think in a rather different way with probably equally...

Q: But now he has an economy unravelling faster.

A: He does.

Q: And he doesn't seem to want... The conservative political forces are still holding back, or Gorbachev himself doesn't know what he wants to do next?

A: I think it's too hard. I think the things that are required are too difficult, are too fundamental, and will further impel the economy down before it can come up. I think the risk involved and the problems of your own internal bureaucracy and the limits of his own power, put constraints on that.

MR. FOSTER: They don't have a viable economic structure to begin with. It wasn't viable under the old system. And if you're going to put that into transition it's an impossible situation to look good in anything like a decade. He's got a big time, long term problem which is very much dependent, in his view I'm sure, as a political person, on his survivability.

Q: What are his chances of survivability? I know it's a guess, but can you give a 60 percent or 50 percent?

MR. KERR: My instincts are, I'm not sure I can do very well with that question, I would just say that first of all the way I would answer it is I don't think there are any neat alternatives. No one else has a program, to date at least, has any initiatives or program around which someone could coalesce and say this is a better... Right now what people are fundamentally, or to date at least what people have said is this is not a good idea or that's not a good idea, but no one has been able to come up with any alternatives.

He also, I think, has been very clever, he has a good sense of the initiative and takes it away rather quickly from others.

Q: Do you think he expected the sort of jeering he got on May Day as they now say he expected?

A: They allowed as I understand, and you may know better than I, but my understanding is they knew they were going to allow demonstrations. That in the abstract and seeing it in fact I think are usually two different things. I think the impact has to be real. I haven't seen it for a long time. I don't know what the last date was you had people with placards in the Square, but it's been awhile, I'll tell you.

MR. FOSTER: They probably mis-assessed intensity, and they may actually over-assess what it means in a certain sense, but they have no experience with it.

MR. KERR: They may also underestimate the impact of this, the media and this being seen. That's one thing I'm struck by. That goes for a larger set of our business. I think one thing the intelligence community has had a little trouble understanding is the degree to which television and the media have had more impact on the events that have developed--whether it's a Nicaragua election or East Germany or Poland. I think we underestimated that.

Q: Do you assess the media's impact in your analysis of these various events?

A: We don't do as well in that area, and we are actually spending more time now because I think we have in fact concluded that we've underestimated the impact of communications--not just, a good example probably was Romania where a country without good communications we seemed to have very good communications at the time of the riots and the beginning of the riots leading up to Ceaucesceaus', the ability to pass information for people knowing what was going on I think was surprising to us.

Q: So what impact did that have in Romania?

A: It allowed the spread of ideas and information, of what was happening from one place to another which fed it at a rate we didn't anticipate.

Q: So it's clear down the road, do you want to make a prediction now on whether there's going to be any sudden or dramatic change in China?

A: You're more expert in this area than I am. I would just say that it seems to me the current generation, older group of leaders is going to be replaced in the short time by another older group of leaders that are just slightly younger than the current group, with the same fundamental set of problems and that is how do you control a country of such enormous size and keep people walking generally in lock-step without anarchy. It seems to me their alternatives, to them I think, their alternative is going to be fairly straight forward. That is you do it by coercion, by persuasion. To allow that to break is to allow anarchy, and most of the people involved have had a good taste of anarchy in their own lifetimes at least once, and some of them twice. I think if they fear one thing, they fear that. They fear a population that's not in control, and it seems to me they have good reason to.

Q: I keep hearing that the United States is upset about Israeli sales of weapons to China. Some of the things they can't get from the United States they are now getting from Israel.

A: I think the United States is upset generally about arms

related to China--probably more upset about what they're selling than what's being sold to them. I'm not sure that is, I don't know how concerned we are about sales going the other way to China. We're always concerned about what the Israelis do, obviously.

Q: Your boss has talked publicly about the diminished military threat from the Soviet Union, at least in the short term. It appears to have pretty much gone away on the conventional side, but he didn't talk or wasn't asked about what military threats to the U.S. still exist. Why do we need an Army today? Our main enemy has gone away. Even some of the more pesky, smaller problems have resolved themselves internally--Nicaragua, Panama was kind of helped along. (Laughter) Over the short term to mid term, what military threats do we need to watch?

A: I think you've probably characterized the Director's comments in a way that I wouldn't characterize them. First of all, I don't think he's said the threat's gone away. I think he said it's changed. I think his primary statement was that in Eastern Europe, you can't expect Eastern Europe to go back to the form it was in before this, if you will, revolution. He's also said, however, and what I would say about it is that the Soviet forces for the most part have not withdrawn out of Eastern Europe. There is no question, though, that NATO, relative to the Warsaw Pact, has changed fundamentally. Any Soviet general that was trying to count on Warsaw Pact forces to defend a particular area of the line has to have serious question about who they're going to fight or if they're going to fight. But the Soviet forces have not withdrawn.

Soviet forces are going to go back into the area, to the Urals. There's going to be a rather significant ground force that exists--somewhere in the neighborhood of probably 50 divisions. It will have a significant military capability. Strategic forces remain, they have not changed. They're all there. Some of them are being modernized. Even in a START agreement, the Soviets are probably now building their forces essentially to what they see that new agreement to look like, so it's going to be a major military power and the one country that still has the ability to initiate or to support a major military action against the West.

Given the uncertainty that exists about the future of the Soviet Union, about the future of political stability, I think one has to be--certainly from a military point of view and a planning point of view--have to still look at that as a significant threat. So that's not all gone away yet. It is in transition. I think that's the problem we have right now when we talk about budgets and when we talk to people on the Hill. That is we have many of the old problems remaining, and a lot of new problems. We're kind of in the center of that transition period. We're making a lot of adjustments but it has not gone away yet.

Q: What exactly are the new problems?

A: The new problems. First of all, from an intelligence point of view, we still have a responsibility to determine what the nature of

that threat is and how it's changed and what it's going to look like in the future. So we're going to spend a fair amount of our time working on what that new force looks like. How modern is it, how capable is it, what its capabilities are, and what kind of contingencies and what kind of scenarios can it function in. But what we're looking at I think with much greater emphasis, and actually this is something that's not new, is we're looking at internal problems within the Soviet Union. The nationalities problems, looking at the internal situation itself, continuing to worry the economy. We're looking at a new set of Eastern European countries that are more like Third World countries in at least the way we've thought of them in the past, and much more concerned about what's happening in individual countries rather than a bloc, and how individual countries are relating to their neighbors. Those things have both political, and to some degree the potential, it seems to me, along some lines, for military conflict--whether they're originated in some kind of ethnic context or religious. We have, in terms of the changing threat from an intelligence perspective, we have--again it's not a new problem, but we are worried about the proliferation issue which the Director spent a fair amount of time talking about. But it is a very real problem in the sense that people have weapons of mass destruction in the Third World.

I think for the first time, and the chemical area is a good example, we have, because of the Iraq/Iran use of chemical weapons we kind of broke the line, I think, in a very significant way, and perhaps in a way we don't fully understand yet on the use of chemicals. I think that's a very important line that's been breached, if you will. Ten years ago if somebody would have asked me what's the likelihood of using chemical weapons I would have said there's the possibility they would be used, but I think the world would be so outraged by it that it would do something about it. I would have thought that. It didn't happen.

Q: Where are you specifically concerned that chemical warfare might be used?

A: The most obvious area is the Middle East. Between the Syrians, the Iraqis...

Q: Against each other.

MR. FOSTER: That's been done. (Laughter)

MR. KERR: I think the potential is very real. I don't think there's the same prohibition on their use. I don't think we even view them with as much horror as we did.

Q: Why do you think that is?

A: To put it very bluntly, I think in part because no Western nations were involved. I think that was a factor in this. I think if you don't admit that you're not admitting the reality.

Q: If Israel becomes involved that would be just like a Western

nation.

A: Yes.

Q: And there is that chance, isn't there?

A: Yes. Certainly there is that chance. And then the way they were used. They were used in a tactical situation in a war that had gone on for however many years, I can't even remember now how many years, but it seemed like endlessly. And the casualties, we got used to these enormous casualties and the war going on, and we kind of looked at it and said that's a war that's going on and now they're using gas, and now they're using missiles. We kind of accepted that, the West did, with a certain resignation and lack of involvement. But I think that does set, unfortunately, standard is not the way you'd want to describe it, but it breaks a barrier that's probably rather important.

Q: Has the intelligence community looked at the issue of warfare in the 1990's, how it might change as a result of rapprochement between the super powers, the fact that Third World countries are now making their own weapons, which no bilateral agreement between the Soviet Union and the United States can control? Will you look at the issue of warfare, either one of you, and...

A: We spend a fair amount of time on the issue, but not in quite the way you've described it. I think there is no, you kind of implied there is a doctrine... We don't have a doctrine for Third World war, that somehow there's a, Jean Kirkpatrick's book that gives us the theory of war in the Third World or something. What we're looking at fundamentally, I think, is on a country by country basis and then trying to get the regional issues to see where tensions occur, what weapons exist, and then what weapons are across countries and what the likelihood of that is--pretty much on a case by case basis. Isn't that fair, Gary?

MR. FOSTER: I think so. It isn't a pact-like alliance where you have a bunch of people who subscribe to a common doctrine, use deployment, configuration, and all the rest. The alliances in the Middle East have to be as fragile as any in the world. We may enter that kind of an arena in economic alliances where everything is situational, but you've got a lot of bilateral things to look at. So it isn't the Syrians and the Iraqis against Israel alone, it's who's going to do what to whom under what conditions and settling which score.

Q: I was thinking more in terms of the kinds of flash points--nationalities, religion...

MR. KERR: We are looking at those as issues. Gary mentioned our organization. One of the things we've spent a fair amount of time doing over the past several years, looking at what we would call trans-national issues, whether it's terrorism, Islamic fundamentalism as a force, as well as other kind of economic issues and political issues that tend to cross borders. Those carry you, in my judgment,

only so far and then you end up having to go back to country-specific problems, but they give you say way of looking at a problem that is, that gives you a different perspective on it and you try to do that.

Q: To what degree then are the flash points beginning to change so that they are some of the things you mentioned? And economics, to what degree might conflict, because the focus today is so heavily on economics in so many parts of the world, the East Bloc as well as the Third World, is economics becoming a potential flash point?

A: It's hard for me, maybe it's because of my own limitations--I don't consider myself a kind of grand strategic thinker on issues like this. To put the problem in those terms, kind of economic problems as a flash point, to me doesn't have much, I don't relate to that question very well. I don't have a sensible answer to that.

I think one can talk about trends and activities and then I think you have to go to a different structure to describe those situations. They tend to be regional, they tend to be, while you can have some kind of macro judgments about them in terms of economic issues, I'm not sure they translate into those same conflicts in that way.

MR. FOSTER: If you're tying the economics to the possibilities for chemical, biological or nuclear exchange, I don't think that will be causal. In the region where it's likely to happen that isn't the issue. They're ancient issues. We spend a lot of time looking both at the things that are happening in real time in that region and the antecedents, and we're instructed by all parties who are participants in conflict in that region, actually by their actions and the things they say, to look at the history of why it is that way. So the flash point is tribal. That's sort of a despairing thought. You've got 1500 or 2000 years worth of trying to settle this out, with all of the players having a different version of what that's about. It's like the Irish and the Irish in a certain sense. It does not come to quick resolution, or in ways I think that are understandable or predictable in the abstract a decade ahead.

We'll be very busy watching events as they unfold all through that area, and have been for ever and ever and ever. That won't change. That's how a conflict is going to arise. It's going to arise in real time now, and the real important context for policy makers, I think, is to understand both what's happening now and what's going to be the likely outcome, we have to do a lot of analysis about forces and so on to be able to help them there. But also the context within which they would try to make policy, which is that other highly developed dilemma. It really is an extraordinarily difficult place for an outsider to intercede and to make sure the policy maker has some kind of contacts for any innovative move they make and how long it would survive, if it were even accepted.

MR. KERR: One of the things that is instructive, I think, from at least my point of view, instructive to me--I'm not sure if it's instructive to anybody else--but looking at how I spend my time and the kind of support I provide in terms of the policy community at the Deputies level which is the way I kind of interface in with this

government, with the Deputies of the agencies in the national security area, an amazing amount of our time--whether it should be that way or not--is spent on small brush fires. The Liberias, the Panamas, the this' and that, occupy an inordinate amount of time, I'm sure, compared to what people should think because they involve a U.S. decision on how to act, how not to act, what to do, how aggressive to pursue it, what policy. So I would say I spend well over 60 percent of the time I spend on substantive things, maybe more than that, not talking about the grand alliance of NATO versus, what a new NATO is going to look like, although I've spent a little time on that, or a Soviet Union, or even a China, but the small conflicts around the world. The small problems but the problems we have to react to and have to provide in relatively brief time some sensible context, some sense of history, some sense of the evidence in the facts.

One of our problems in this government, and in any government I assume, is an array of the information--what in fact is happening on the ground before we figure out what we're going to do about it. So a lot of it is spent on very small, not global, not even regional issues--although when you get into the Middle East even a small problem becomes a regional issue.

Q: Can I ask a couple of narrow questions? One is, why did the Soviets divert the SS-23s and how? How did that come about? What's your conclusion, and what's the conclusion of the intelligence community? Second is, will Soviet nuclear weapons become sort of the surprise ten years from now like chemical weapons did? Are you worried about them getting out of control? The [Cossacks] now becoming the third biggest nuclear power, that kind of stuff?

A: On the first, see in my judgment divert is the wrong word. Why did the Germans, the Czechs and the Bulgarians end up with SS-23's? I think the decision was made before the arms control treaty to provide support to those countries, and my argument would be, and I think the evidence would support it, a non-nuclear, and in effect INF overtook those events. The numbers involved are relatively small and they were never organized as units and operational.

Q: Why didn't you pick them up?

A: A couple of reasons. One is we have an extremely difficult time detecting small numbers of weapons that are not used in an organized, systematic way as an integral part of the force. You can put a small number of weapons in a large military organization easily in the short term without detection. In fact, we did pick them up was the point, of course.

Q: I thought you picked them up only after the East Germans announced it.

A: No. We actually did pick them up. I can't remember the exact scenario. Do you remember whether we got a tip off first and then saw them?

(Mr. Foster shakes head no.)

Q: ...in an East German weekly newspaper on February 1st, with a picture. So far as I've been told, that's the first we'd heard of them.

A: I don't think that's the case. I'm not sure because I can't remember the exact circumstances. It may have been a radio broadcast we had. But I know the item you're thinking of, we were actually looking for them before the article. But we may have actually been tipped off and I can't remember precisely the circumstances.

The point I would make is that that can happen, that's going to happen. We're dealing with relatively small numbers with great concealment. The Soviets, and that's true when Soviets were there as well before INF. Those weapons were always essentially put under cover, carefully controlled, and until you have a force of significance that's operating, our judgment has always been that our ability to detect them easily, except over a period of time, is very limited.

There are people who would argue now that that's an argument to show the limitations of an INF... I think that's probably a faulty conclusion. Again, I would go back and say arms control verification from an intelligence point of view has always been kind of along the following lines. We have reasonable confidence that we will detect a force of significance, an operational force of significance in reasonable time to understand where it is and what it's doing and respond to it. But that's in a reasonable period of time, as it builds. We would not make claims to do otherwise. Anybody that would is not paying attention.

Q: What was then, the Soviet purpose in transferring them? If they were in such small numbers that they would not be militarily effective, what was the purpose?

A: I think they may have originally decided they would provide, the SS-23 is not a particularly sophisticated weapon, and with a high explosive warhead they may have decided to create in the German, integral to the Warsaw Pact forces, missile support as an organic part of their motorized rifle division.

MR. FOSTER: I'd hate to give them more credit than you would give us and assume that all of their policy initiatives and all of their carrying out of prior decisions are highly coordinated so that one doesn't trip over the other. We certainly know here how difficult it is not to trip on something that was in train three years ago as we've changed our mind and advanced to a new level and somebody down below just kept implementing. It happens in every agency of government. You're always going around trying to say, oh God, we didn't mean that. We meant it when we thought about it, but we changed our mind and have announced that. So some of these things don't have to be pointy decisions to cheat or obfuscate or anything else. It may have been, as I think Dick is suggesting, a decision made routinely some time before it would have been an issue, to see it implemented. The fact is, they weren't deployed and they weren't integral to any force that

we could notice, so there may even have been a change of heart and they're still present but not useful.

Q: Why didn't they tell us...

MR. KERR: There are a couple of interesting aspects of that. One is that it's quite possible that Soviet senior leadership didn't know, which is the point Gary's making, that these things were decided years ago and you begin a program and begin to transfer and it takes five years to get it done. Anybody that's been involved in these programs understands that the initiator of the program may have long since gone and forgot the original objective, but there are people who will continue to carry it out.

MR. FOSTER: We found that during the inspection process everybody seemed to know that inspection was okay except a couple of people.

MR. KERR: I will tell you, there is a rather interesting story on this too, kind of amusing but kind of worrisome at the same time. That is, there was a paper given by a Soviet, I'm trying to remember where it was. It was an unclassified paper in Geneva, is that right?

I think it was in Geneva over a year ago, about a year ago, the middle of 1989, where they were describing other things, but one of the things they talked about was INF and they talked about the missiles. They said a certain number of them had been destroyed, a certain number had been transferred to the East Europeans, and a certain number had gone somewhere, something else had happened to them, were remaining. This guy was not keeping that a secret. We, unfortunately, didn't pick it up. It was one of those where no one saw the paper until they really began focusing on the question of are there 23's in German hands. So I'm not sure they were trying to hide it.

I would, again, support Gary's point, and that is these are very complex governments. Sometimes this idea, I'm not a big conspiracy person. I don't believe every little thing is centrally directed by some brilliant genius. To the contrary, I believe most things are not centrally directed and are confused. That's my experience with the world so I tend to translate that into, maybe this is mirror imaging, but I think the Soviets, if anything, are less structured in that regard. The possibility for screwing things up is very real, accidentally.

Q: So what happens about their nuclear weapons?

A: Nuclear weapons, they have enormous, as you know, I'm sure, they worry a great deal about them. Central control. They worry a great deal about safety. They worry a great deal about command and control. They are, if anything, even more worried about it than we are. They want central control and they have all kinds of mechanisms to control it.

Right now we have reasonably good evidence indicating that they worry, right now, about any weapons that are in areas where there are any kinds of disturbances. They are quick to reinforce, provide

additional protection, provide additional security, probably quick to move, to consolidate. What happens in the future, I think depends, I think there's going to be an army, a centrally-controlled army, and I think they will maintain exceptional control of these. My guess is as there is more ethnic unrest in areas where there are nuclear weapons they will get more and more concerned. If necessary, they'll move them out of areas, relocate them. They're not going to let them out of their hands.

Q: In one case you argue that it's a messy command system, and in this case you argue that it's a good command system.

A: It's a matter of focus, too. This is one where there is real focus on it. This is not casual. I didn't say it was a messy command system as much as it's a messy command system as much as it's a messy system. A lot of things go on that are not centrally directed in the Soviet Union like a lot of things go on here. On those things where they are concerned, where they do focus, I think they have a rather tight central authority. This is one where they have great control, I think.

Q: Have the Soviets had special reason to be so concerned in this area?

A: I think their fundamental reason is distrust, they don't delegate responsibility very well. They don't believe that the lowest person in the chain is trustworthy, and I think historically they have always had a command and control system that essentially runs from the top. The examples I have are examples in Afghanistan of the inability of local commanders to take initiative under great stress--and not only unwillingness to take initiative, inability to do it. They don't know how to take command in times of crisis. Things you would expect a Marine lieutenant to do on his own, say I don't care what the authorities say, I'm getting the hell out of here! (Laughter) If you didn't see them do it you would be surprised. They demonstrate an inability to do that, and they just don't delegate responsibility. They don't have much individual initiative.

Q: What happened to that photo recon satellite that purportedly was breaking up a month ago?

A: You'd have to look what our comments are. I don't know how we responded to that, but it's a classified...

Q: Is it up there taking pictures now?

A: The answer is one, we don't comment on it, I think is the simple answer.

Q: Let me ask you a quick question about Liberia. You said that's one of the areas you watch. They have a civil war going on there now.

A: I have to admit, I don't watch it very closely until recently.

Q: Recently, though, is where you've had a real problem too. Is Libya involved in it now? I saw a wire story on it.

A: Libya is involved in nearly every little bit, or in much little mischief in terms of providing money. So I think the likelihood is reasonably good. Again, I'd be a little suspicious in terms of kind of involved in the sense of directing it, but involved in terms of providing some support I think that's probably a very real possibility. But it's not a...

Q: Are all the Americans getting out of there now?

A: No. There is a fairly sizeable official community which numbers, I think, well over 100 remaining. It was considerably bigger than that. There's an amazing number of U.S. citizens.

Q: The State Department has urged them all to leave.

A: It has urged them, it has not directed them to go. But it doesn't have a lot of control over people working for mining companies. I've heard everything from 6,000 to 7,000 people remaining, U.S. citizens, which is surprising to me.

Q: Let me go back to Eastern Europe. You mentioned earlier that you've got governments there that don't really control some of the Ministries and don't necessarily even know what a lot of these people are doing. What's your sense of how that disentangling process is moving along? I get the sense that the military threat, obviously, has changed considerably. The Soviets can't expect the Polish army or the Czechoslovak army to do what they might once have expected them to do. But on the other parts of the apparatus, has the process gone far enough now that the threat you worry about from those entities has changed significantly? Or has it not reached that particular point yet?

A: I think there's a lot of variety across... I think we have to be very careful, first of all, about talking about Eastern Europe as if it is a bloc. We probably should have always been careful about talking about Eastern Europe as a bloc, as if they're all identical, but I think the difference between a Czechoslovakia and a Romania, for instance, is quite a difference on that spectrum. I think each of those governments are having very real trouble getting a handle on their own Ministries and their own organizations, not surprisingly. Bureaucracies are surprisingly tenacious. Even if you kind of get rid of the heads of them they will continue to show up for work, I assume, even if they're fired. They don't have anything else to do. So there is a certain kind of momentum there. But also I think you do reach a point now where they were in panic for awhile, these old bureaucracies and the old group, but now they're back, things are kind of going along. My guess is they're starting to figure out a new set of ordering between them and their new masters. Like most good bureaucratic organizations, they figure out how to adjust to their new bosses, the way you adjust to a new boss, the way I do, and the way all of us tend to. We tend to say all right, what does this new person want, how do I figure out how to deal with them, how much do I

have to do, how much can I get away with, and all the things that I think bureaucracies are pretty good at doing.

So I think there's a lot of sorting down before we, and a very significant one. There's a lot of suspicion between the leadership and particularly their internal security services because they were the victim of those, and I don't think their focus on those will change. But on the other Ministries and the other people, they need expertise, they need people to do the work. It's an awfully slow process. My guess is we had a certain enthusiasm when everybody moved in, and now everybody's beginning to kind of get themselves back in place and there will be a little flat period when people adjust and readjust, new people are put in place.

MR. FOSTER: One of the things they discover is what you would not be surprised at, and that is when you come in and you have this big roll of enthusiasm, after you settle down the actual problems that were there, are there. They didn't just happen to de-materialize because the system changed. It takes a good while. We've obviously talked at some length about the kinds of military things relative to the Soviet Union that we have to continue to do until the treaties are implemented, and we've said to everybody yeah, they really did it, and that will occupy us for awhile. We have a continuing concern about the Soviet Union as a counter-intelligence target and will for a long time. All of those security services look different to us now, but we're a little concerned about which of them that used to be there are somehow now still being operated in the interests of the Soviet Union as opposed to the United States, or even the home country interest. They may not be actively in that Ministry any more, but they are still probably doing what they know how to do for somebody, so it's something we're going to have to keep tracking for quite a while.

Q: You said, Mr. Kerr, that you've spent some time studying what's going to happen in NATO, what will a new NATO look like. Can you tell us? (Laughter)

A: If I could do that I would be... We are doing the obvious things that you're doing, looking at kind of what is the rationale for a NATO? To what degree does its military rationale change? Is it going to be a political, is it going to assume a greater political content to it? Clearly the military is going to go down, no one paying attention would argue that. The question is how much will the military go up? Will CSCE assume a greater role? Will an EC? Those are mysteries. Those are unknowable, but we're spending a lot of time looking at what the implications of various outcomes are, what the implications for the United States are, what's the role of the United States? Clearly we're participating with the policy community in that drama, and it's just exactly that. No one has a very neat answer.

Q: I thought we'd get a story out of it! (Laughter)

Q: Thank you.

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